

111TH CONGRESS  
1ST SESSION

# S. 131

To amend the Truth in Lending Act to provide for enhanced disclosure  
under an open end credit plan.

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IN THE SENATE OF THE UNITED STATES

JANUARY 6, 2009

Mrs. FEINSTEIN introduced the following bill; which was read twice and  
referred to the Committee on Banking, Housing, and Urban Affairs

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## A BILL

To amend the Truth in Lending Act to provide for enhanced  
disclosure under an open end credit plan.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Credit Card Minimum  
5       Payment Notification Act of 2009”.

6       **SEC. 2. ENHANCED DISCLOSURE UNDER AN OPEN END**  
7       **CREDIT PLAN.**

8       Section 127(b) of the Truth in Lending Act (15  
9       U.S.C. 1637(b)) is amended by adding at the end the fol-  
10      lowing:

1           “(13) ENHANCED DISCLOSURE UNDER AN  
2 OPEN END CREDIT PLAN.—

3           “(A) IN GENERAL.—A credit card issuer  
4 shall, with each billing statement provided to a  
5 cardholder in a State, provide the following on  
6 the front of the first page of the billing state-  
7 ment, in type no smaller than that required for  
8 any other required disclosure, but in no case in  
9 less than 8-point capitalized type:

10           “(i) A written statement in the fol-  
11 lowing form: ‘Minimum Payment Warning:  
12 Making only the minimum payment will in-  
13 crease the interest you pay and the time it  
14 takes to repay your balance.’.

15           “(ii)(I) A written statement providing  
16 individualized information indicating the  
17 number of years and months and the total  
18 cost to pay off the entire balance due on  
19 an open-end credit card account, if the  
20 cardholder were to pay only the minimum  
21 amount due on the open-end credit card  
22 account, based upon the terms of the cred-  
23 it agreement.

1 “(II) For purposes of this clause only,  
 2 if the open-end credit card account is sub-  
 3 ject to a variable rate—

4 “(aa) the creditor may make dis-  
 5 closures based on the rate for the en-  
 6 tire balance as of the date of the dis-  
 7 closure and indicate that the rate may  
 8 vary; and

9 “(bb) the cardholder shall be pro-  
 10 vided with referrals or, in the alter-  
 11 native, with the toll free telephone  
 12 number of the National Foundation  
 13 for Credit Counseling (or any suc-  
 14 cessor thereto) through which the  
 15 cardholder can be referred to credit  
 16 counseling services in, or closest to,  
 17 the cardholder’s county of residence,  
 18 which credit counseling service shall  
 19 be in good standing with the National  
 20 Foundation for Credit Counseling or  
 21 accredited by the Council on Accredi-  
 22 tation for Children and Family Serv-  
 23 ices (or any successors thereto).

24 “(B) DEFINITION OF OPEN-END CREDIT  
 25 CARD ACCOUNT.—In this paragraph, the term

‘open-end credit card account’ means an account in which consumer credit is granted by a creditor under a plan in which the creditor reasonably contemplates repeated transactions, the creditor may impose a finance charge from time to time on an unpaid balance, and the amount of credit that may be extended to the consumer during the term of the plan is generally made available to the extent that any outstanding balance is repaid and up to any limit set by the creditor.

“(C) EXEMPTIONS.—

“(i) MINIMUM PAYMENT OF NOT LESS THAN TEN PERCENT.—This paragraph shall not apply in any billing cycle in which the account agreement requires a minimum payment of not less than 10 percent of the outstanding balance.

“(ii) NO FINANCE CHARGES.—This paragraph shall not apply in any billing cycle in which finance charges are not imposed.”.

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